



State of Utah

Department of  
Natural Resources

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Division of  
Oil, Gas & Mining

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Lieutenant Governor

January 14, 2005

Mark Carter  
MMG Mining  
3655 Lupin Way  
St. George, Utah 84760

Subject: Status of Division Directive, MMG Mining, Bald Knoll Mine,  
S/025/012, Kane County, Utah

Dear Mr. Carter:

On June 9, 2004, at your request, an on-site Compliance Conference was held at the Bald Knoll Mine. The results of that onsite compliance conference determined that MMG had expanded beyond the five acre Small Mine Operation (SMO) limitation to 7.56 acres without posting surety or submitting a Large Mine Operation (LMO). The State Institutional Trust Lands Administration (SITLA) holds a \$4,000 reclamation bond to reclaim two acres.

In order to mitigate this situation, a letter was sent to you on July 6, 2004, which directed you to:

- 1) Within 60 days post \$16,480 "transitional" surety = (1 ac X \$5000; 3.28 ac x \$3000 = \$14,840) plus inactive area (3.28 ac x \$500 = \$1,640). This surety amount would then remain in place until an LMO is approved or the area is reclaimed back to a SMO status.  
*A \$16,800 Surety and Reclamation Contract was posted on January 6, 2005. **This directive is satisfied.***
- 2) Within 90 days file a Notice of Intention to Conduct Large Mining Operations.  
*It is understanding that you are transferring the mine to 3-H Landscape in St. George, run by Scott Holt, as a small mine. **Because the site has been reclaimed back to a small mine status (less than five acres), this directive is withdrawn.***



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- 3) Restrict mining to a 4.28 acre disturbed area footprint.

*A 3.28 acre area was ripped, reseeded and cleaned up fall of 2004; thereby leaving the 4.28 acre area. **This directive is satisfied.***

*(Note: An inspection will be made in the spring of 2005 to document this reclamation work).*

- 4) Within 30 days mark the boundary of 4.28 acre area with metal T-posts or other markers.

*We have no documentation that this has been done. **This directive is NOT satisfied.***

Directive number four was issued to assure that the site does not expand again beyond the limitation of the 4.28 acre area to keep this permit as a small mine status. This was to have been completed by August 1, 2004. **You are hereby directed to complete this requirement as soon as the site is accessible and send photo documentation that this has been accomplished.** The Division will not execute a transfer to a new operator until all outstanding compliance issues have been resolved.

If you have any questions regarding this letter, please contact me or Tom Munson at (801) 538-5325 or 538-5321 respectively.

Sincerely,



Daron R. Haddock  
Permit Supervisor  
Minerals Regulatory Program

DRH:tm:jb

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